

**STATE OF VERMONT
LEASE FORM
JUNE 30, 2014**

Lease Form – CAFR-5

Be sure to complete Business Unit Number and Department Name in top right corner

1. Please complete the schedule on Sheet 1 (continue on Sheet 2 if needed) for **all leases** where the State is the lessee.
2. Do NOT fill in the gray shaded areas – these cells contain formulas and are protected.
3. On the “Payments” tab provide listing of AP Cash Expense Detail from VISION supporting the lease amount paid.
4. Please submit legible copies of lease agreements for all capital leases. Additional information is required for entering capital leases into VISION. The information required should be entered on the Capital Lease Only tab of the CAFR-5 form.
5. All forms must be approved by an authorized person.
6. Complete the Certification Sheet. By completing this sheet and submitting it electronically from your state email account, it is considered electronically signed and approved by the authorized individual.

Criteria for a Capital Lease – Total Cost of Lease is at least \$5,000 and:

- Transfer of Ownership – the item becomes the property of the State at the end of the lease.
- Bargain Purchase Option – the leased item can be purchased at the end of the lease for an obviously low cost (i.e., \$1.00).
- 75% Test – determines if the lease term is 75% or more of the estimated life of the asset.
- 90% Test – determines if the present value of the lease payments are 90% or more of the assets' estimated fair market value.
- Type of Lease – You have a capital lease if:
 - Transfer of Ownership or Bargain Purchase Option are “yes”,
 - The 75% Test produces a value of 75% or greater,
 - The 90% test produces a value of 90% or greater,
 - Otherwise the lease is an operating lease.

Definitions

Lease: Legal agreement whereby the lessee uses real or personal property of the lessor for a rental charge

of Lease Payments: Number of payments to be made during the life of the lease

Estimated Life: Number of year(s) the item(s) is(are) expected to be usable

Columns on CAFR-5 include:

- Description – include the name of the project or a description of the asset.
- Date Lease Began or Date of Rate Change – enter date of original lease or most recent rate change.

- PO/Contract # - enter the PO number or contract number of the lease.
- # of Lease Payments – number of payments to be made during the life of the lease.
- Estimated Life of Asset – number of years the asset is expected to be usable.
- Lease Payment Cost – the “base” lease payment amount.
- Lease Payment Frequency – the frequency of the payment (monthly, quarterly, annually).
 - BASE Lease Payment does NOT include maintenance, insurance, supplies, taxes etc. in your lease payment amount.
 - If the BASE amount is not determinable, indicate same under description of the lease (i.e. Base amount not determinable)
 - Indicate if there are any escalator provisions in the terms of the lease and use a separate line to report the new lease payment provisions when the rate changes. In description box, indicate "same lease as above rate change"
- Payment Due Date – enter “1” if the payment is due at the beginning of the period, and “0” if the payment is due at the end of the period.
- Total Lease Commitment – this is a calculated balance.
- Estimated Fair Market Value – the estimated value of the item at the inception of the lease.
- Transfer of Ownership – enter “yes” or “no” as appropriate.
- Bargain Purchase Option – enter “yes” or “no” as appropriate.
- 75% Test, PV of Lease, and 90% Test – these are all calculated balances.
- Type of Lease – indicate the type of lease based on the criteria outlined above.
- Lease Amount Paid in FY2014 – enter the amount paid against the lease in SFY2014. Provide VISION AP detail on the Payments Tab (Query VT_AP_CASH_EXPENDITURE_DST).

Capital Leases Only (Required for entering into Asset Management Module by F&M)

- Description – include the name of the project or a description of the asset.
- Chartfield Information – Fund, Department
- Interest Rate – rate included in payment (if not on the agreement, contact the vendor)
- First payment due date
- Location Code – Where the asset resides

If there are any questions, please e-mail VISION-CAFR@state.vt.us
 The completed form should be e-mailed to VISION-CAFR@state.vt.us